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Alone we are strong, together we are stronger

*- a qualitative comparison of four Swedish fashion companies' work with
Corporate Social Responsibility*

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Abstract

Title Alone we are strong, together we are stronger - *a qualitative comparison of four Swedish fashion companies' work with Corporate Social Responsibility*

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In the following study, companies' ability to cooperate within *Corporate Social Responsibility* issues is to be investigated, based on representatives', in four Swedish fashion companies, responses in qualitative interviews. The aim is to get a deeper understanding of how Swedish companies in the fashion industry actively work on CSR issues either individually or together, and the problems that can occur with the cooperation and the difficulties to act alone.

The study shows that the definition of CSR varies a lot, although one can see that there are some problems regarding social, economic and environmental responsibility that are more recurring than others. This could be a problem when cooperation requires the parties to have the same goal. Further, this study indicates that there are several reasons why one chooses to work with CSR. It is mainly based on the imprint from a variety of stakeholders or interest of its shareholders, even though it in the end always comes back to the financial aspects, because that is the most basic purpose of the existence of companies. A good business is a prerequisite for being able to work with CSR. Therefore, cooperation is a good solution for companies in the fashion industry to work with CSR issues. To work with CSR issues is important to this industry, because the fashion industry is constantly critically examined regarding these issues, and thus forced to take responsibility. Furthermore, this study addresses legitimacy and transparency as key elements in the CSR work and how both transparency and benchmarking are tools to enable cooperation within these issues.

Key words: CSR, Corporate Social Responsibility, Sustainability, Transparency, Stakeholder Theory, Legitimacy, Cooperation, Partnership, Organization, Management, Fashion industry, Gina Tricot, Odd Molly, KappAhl, Filippa K

Definitions

CSR – *Corporate Social Responsibility*; mainly focuses on a corporate's social, economic and environmental responsibility

Sustainability – Meeting the needs of the present, without compromising the ability of future generations to meet their own needs

Stakeholder – Any group or individual who can affect or is affected by the achievement of the organization's objectives

Transparency – An operation being open and public with their business activities

Legitimacy – Reflect a value of morality and ethics

Code of conduct – Guidelines on how a company or organization should conduct its business in order to take an ethical, social and or environmental responsibility

CSR standard – A certain standard of what rules or norms for CSR to be followed, which is formally written but voluntary to follow

Cooperation – Working together toward a common goal

Partnership – A collaborative relationship between entities to work toward a common goal

Benchmarking – A tool to compare the business activities with other organisations, to learn and take ideas from the best performance

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1. Introduction

1.1 Background

A concept that has become increasingly relevant over the last two decades is CSR, which stands for *Corporate Social Responsibility*. Organizations' social responsibility can be anything from taking environmental responsibility to having good working conditions within the organization (Rövik, 2008). Borglund, De Geer and Halvarsson (2009) argue that CSR is a concept that has spread around the world and has mainly increased substantially during the 2000s first decade. In 2007, it was possible to see that 97 per cent of the 150 largest companies in the European Union, showed that they took responsibility of society through a featured CSR work on their website. The same year, it was 75 per cent of the 100 largest companies in Sweden that showed that they were taking responsibility of society (Borglund, et al, 2009). Moreover, Grafström, Göthberg and Windell (2008) argue that many major listed Swedish corporations today are transparent with their work with CSR.

Since more and more Swedish companies choose to locate their production in developing countries known for having bad working conditions, it has been strongly questioned how these companies work to help improve the situation in these countries. This in turn leads to that it has become more important for Swedish companies to work with and report on their work with CSR (Engvall, 2007). As the textile industry is a resource-intensive industry, it finds itself constantly under a critical eye, which makes their work with CSR even more important, where working conditions are in focus. Highlighted problems they are currently facing are low minimum wages, child labour, long hours, poor working conditions and poor protection against chemicals from production, as well as problems that have to do with water in one way or another (Engvall, 2007). For example, it could be about the amount of water required in connection with the production, but also the pollution of surface water, as chemical waste from the manufactory (European Commission, 2003; Ellebæk, Hansen, Knudsen, Wenzel, Larsen & Møller, 2007).

Jutterström (2006) has conducted a thorough and global survey of the world's CSR standard setters, which indicates an exploitation of standards from the mid-1990s until a bit over the millennium. The various CSR standards help companies and organisations with their CSR

work, which you could see as a kind of cooperation (Jutterström, 2006; Jupp, 2000). There are now hundreds of partnerships around the world, which have the purpose that a fusion would lead to some kind of effectiveness and helping each other to something better than they could have achieved on their own (Jupp, 2000). Jupp (2000) argues that partnerships have been an important phenomenon when it comes to the desire of changing the society to the better and many times through their work with CSR.

1.2 Problem discussion

Since time immemorial, we humans have chosen to work for the common good. Our hunting ancestors started several thousand years ago to develop social get-togethers that we today would call by the concept of cooperation, according to Malmeby (2002). Men hunted in packs to help provide food to survive, which was one of the common goals. They shared the cave, the fire and the food, as well as many businesses today shares facilities, communication and ideas (Larsson, 2002).

Moreover, today we live in a different world, which is constantly changing. People in general have much larger goals than to just survive the day. Globalization has led to the fact that new conditions have been established because of the free trade and torn borders. Due to that, we now must take social responsibility towards such subcontractors' actions in the countries in which we operate (Malmeby, 2002; Engvall, 2007). Malmeby (2002) argues that the market has changed over the years to become a number of criteria to count in. From earlier when the products were only exposed to the market from an economic perspective, where the annual report laid the foundation, to nowadays when people are more interested in the background of the production and want to know who, how and where the products have been produced. The big companies are at the forefront of awareness and have begun to publish things like, for example, sustainability reports (Malmeby, 2002). In general terms, the auditor was earlier the only one who reviewed the company in its audit report which was consistent with what the law demanded. However, today there are many more stakeholders to take into consideration, since that is has been a change in the way they want to take part of the business shared value and not just on the financial parts (Malmeby, 2002). The markets today are more aware and have more knowledge and are therefore

more critical (Malmeby, 2002). The companies' work with CSR has therefore become increasingly important and also the transparency of it. Nowadays, ordinary people are happy to take part of the companies' valuations, which puts even more pressure on their work with CSR development. Cooperation through partnerships has become a very important part of this, in order to be able to make more effective use of its resources and avoid duplication of effort, which is a very central solution when working with CSR (Brandstetter, de Bruijn, Byrne, Deslauriers, Förchner, Macháčová, Orologa & Scoppetta, 2006; Borglund & Norberg, 2011). The partnership is an agreement where companies or organisations work together towards a common goal (World Bank, Partnerships Group, Strategy and Resource Management, 1998). The idea is that through cooperation, make the CSR process more effective and through this unite all stakeholders' requirements and create a good long-term business (Brandstetter et al, 2006; Borglund & Norberg, 2011).

The fashion industry is an industry that is resource intensive and constantly leaves a mark in our environment. For many reasons, this means that fashion companies have become more or less forced to try to take their responsibility in society (Engvall, 2007). Since this industry is so very exposed in CSR issues, we chose to examine the CSR work of four medium-sized competing Swedish fashion companies, who all have suppliers in countries where working conditions are not as good as they are in Sweden. These companies are: Gina Tricot, Odd Molly, Kappahl and Filippa K.

1.3 Aim

The purpose of this thesis is to get a deeper understanding of how Swedish companies in the fashion industry actively work with CSR issues either individually or together, the problems that can occur with the cooperation and the difficulties to act alone.

In order to be able to answer the main purpose, a couple of research questions have to be formulated:

1. What definitions and purposes of CSR are there?
2. What difficulties may companies face when working with CSR issues individually?

3. How would working with CSR improve if the companies cooperate and how could this cooperation be arranged?
4. What difficulties may companies face when working together with CSR issues?

2. Theoretical framework

2.1 What is CSR?

Norberg (2011) says that CSR is an example of a management idea, which means that it is a way to control organizations. He means, that businesses use modern management ideas, such as CSR, as a tool to gain confidence in the surrounding world. Røvik (2000, 2002) argues that there are many variations of ideas of CSR that contain nuanced rules to be able to accommodate different types of businesses. The European Commission has, however, a definition of CSR, covering the basic concept:

“CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”

European Commission, 2002 p. 5

Grankvist (2009) describes CSR as a concept, which is used worldwide, but he argues that nevertheless not everyone defines CSR in the same way. He means that many believe, for example, that the concept of *Corporate Social Responsibility* is incorrect because it is easy to assume that the concept is just about to take social responsibility. Some believes that the concept of *Corporate Responsibility* (CR) would have been more accurate since the concept then both includes social, environmental and economic factors. Some also think a better term is *Corporate Citizenship*, which is aimed at that businesses and other legal entities must take their social responsibilities just like citizens do (Grankvist, 2009). So, when it comes to CSR, it is incredibly difficult to give a clear definition when there are so many different variations. However, one tends to usually talk about economic, social and environmental responsibility (Grankvist, 2009; Borglund, 2009). CSR is a worldwide well-established idea, but there are still different definitions of the term, different normative ideals and, as mentioned, it could also be called different names (Borglund, 2009; McWilliams, Siegel and Wright, 2006). Norberg (2011) argues that even if a particular definition does not exist right now, the perception of the term increasingly change into the same direction, although he means that it will take a long time before it is the same for everybody. Anyway, no matter if you look backward or forward in time, basic concepts regarding CSR questions and social

responsibility will always be consistent with the basic ideas of CSR (Norberg, 2011; Matten and Moon, 2004). Matten and Moon (2004) call this implicit CSR, meaning that being engaged in some sort of culture-bound and time-honoured CSR-practice without talking about the concept by the very name CSR. Norberg (2011) further argues that even if the term CSR may not be used in the future, the basic values and principles related to CSR will nevertheless remain the same in the industries. Morsing & Schultz (2006) also argues that political-economic culture in the Nordic traditionally not primarily show up as large CSR initiatives, which in turn can be explained by what Daun (1989) says about that Swedes traditionally are more withdrawn and afraid of conflicts. Swedes do not like to brag openly with their CSR efforts and have not been internationally engaged to highlight their efforts as well as its competitors, which can be seen as implicit CSR (Noberg & Jutterström, 2011).

Alexander Dahlsrud (2006) argues that the difficulty does not lie in defining CSR, but rather that there are too many definitions of the term. According to Van Marrewijk (2003), the definitions individually usually focus on different orientations, which means that it is difficult to obtain a precise definition of the concept of CSR. Alexander Dahlsrud (2006) defines, on the basis of an analysis of 37 definitions of CSR, five different orientations of CSR work. These are: The environmental orientation, the social orientation, the economic orientation, the stakeholder orientation and the voluntariness orientation. Dahlsrud (2006) means, as mentioned, that the difficulty is not to define CSR, but rather to understand how CSR is a social construction in a specific context, which means it could include either one, two, three, four or five of the five orientations depending on the business.

While studying CSR, sustainability is also a recurring concept and as difficult to define. However, the most widely accepted definition of sustainability is, according to Redclift (2005), the one from Brundtland's (1987) UN report about sustainability. The definition is as follows below (Redclift, 2005):

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Brundtland, 1987. p. 37

With that said, we have found that CSR is a concept which is very hard to define, even though economic-, social- and environmental responsibilities are recurring areas when talking about CSR. It also depends on the companies' business activities and their strengths, which affect how they define CSR. Beside the differences of the definition we also found that there are many different reasons why organizations work with CSR.

2.2 Purpose of using CSR

Why companies choose to work with CSR vary widely as there are many different reasons for this, but McWilliams and Siegel (2001), state that it is beyond the company's interest and the law if you choose to work with these social issues which are included in CSR. If a company either choose to work with different types of responsibility issues, sustainability or to use CSR as a management idea, depends on the interests of the company (Dahlsrud, 2006; Borglund et al, 2009). In SIS's manual (2005) about CSR it is said that when corporations take their social responsibility, they do at the same time invest in a long-term success for their company, a success that is also sustainable. This success can occur because, for example, companies can reduce risks by actively working with CSR, consequently innovation can occur and that it may also contribute to a positive development of the society in which the company operates (SIS Förlag AB, 2005).

Managers may have different ways of working with CSR, since there are many strategic implications managers can use to take their responsibility towards their company (Freeman, 1984). McWilliams et al (2006) describe six different perspectives on CSR: *Agency theory*, *Stakeholder theory*, *Stewardship theory*, *Resource-based view of the firm*, *Institutional theory* and *Theory of the firm*. Most of these CSR perspectives have the *Stakeholder theory* as a starting point when taking the company's key stakeholders into account and adapting their CSR efforts after them (Freeman, 1984; McWilliams et al, 2006).

Freeman (1984) argues in his *Stakeholder theory* that companies work with CSR because of pressure from various stakeholders. The companies then adapt their CSR-approaches according to how important they are. Friedman (1962) on the other hand argues that there are no other stakeholders besides shareholders, and that it is the only stakeholder to take

into consideration if you decide to work with CSR-issues or not. He means that it otherwise is an abuse of resources that instead should be used internally. Taking social responsibility through work with CSR could also lie in the managers' or shareholders' interests, if they are aware of the standards and norms that exist within the industry they are included in (McWilliams et al, 2006). Donaldson and Davis (1991) argue that managers feel a moral obligation and therefore work with CSR without thinking about the financial aspects. It may also be that if you have recurring cooperation related to social issues of any kind, because it is motivating to have this confidence, that they choose to continue with that cooperation (Jones, 1995). McWilliams et al (2006) also argues that companies work with CSR issues not only in order to gain legitimacy and take care of their brand or reputation, but it may actually be because customers demand products and services that are sustainable or environmentally friendly because it is valuable for them. They also say that CSR can be used in political games, to create trade barriers.

Elkington (1997), however, argues that companies use the concept sustainability or the triple-bottom-line-model, which aims to the social, economic and environmental responsibility as purpose of their work with CSR related questions. One of the most used CSR models is Carroll's four-part model, which describes CSR through economic, legal, ethical and philanthropic responsibilities (Norberg, 2011).

2.2.1 Carroll's four-part model

One of the most recurrent names in the research of CSR is Archie B. Carroll (Norberg, 2011) who describes the CSR concept through a pyramid with different levels. The four different responsibilities that the model addresses are the economic, legal, ethical and philanthropic responsibilities. The model works in that way that the economic responsibility is the basis for what the company must meet to further take responsibility for the other following areas, although he also says that we should not only consider the different levels of the pyramid alone, but that they also to a certain extent can go into each other (Carroll, 1991). Carroll (1979) states that all four fields always are a part of the company's operations, but that it has become increasingly important with the ethical and philanthropic responsibilities. In 1991 Carroll introduced the famous pyramid in his article (Carroll, 1991), he believes that

when all of the four areas of responsibility are met, the company is taking a full social responsibility.

“The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time.”

Archie B. Carroll, 1979. p. 500



Picture: Own translation

2.2.1.1 Economical responsibility

Carroll argues that historically, the profit motive for a company is the main reason why anyone whatsoever starts up a business. He also says that before there were any other types of economic activities, it was the business organization, which laid the economic basis of the society. Consumers demanded goods and services which led to companies producing them in order to profit, which in turn led to a notion of profit maximization, which still remains an enduring goal within corporations. Economic responsibility means that you deliver products and services that generate a profit to the company, and in the long run leads to financial sustainability and is also the first level in the pyramid (Carroll, 1991).

1. It is important to perform in a manner consistent with maximizing earnings per share



2. It is important to be committed to being as profitable as possible.



3. It is important to maintain a strong competitive position.



4. It is important to maintain a high level of operating efficiency.



5. It is important that a successful firm be defined as one that is consistently profitable.

Picture: Own translation

Carroll, 1991, p. 2

2.2.1.2 Legal responsibility

Carroll (1979) describes the legal responsibility with saying that even if companies start up a business because of the profit motive; it becomes very difficult to run such a business if you do not follow the laws and rules that one should follow. He continues by saying that if a company do not meet the regulations for legal responsibility, together with the economic responsibility for the foundations in which the company operate, the business will more than certainly be put down. The companies are expected to follow the basic rules in order to coexist with society and achieve their financial goals within the framework of the law (Carroll, 1979).

1. It is important to perform in a manner consistent with expectations of government and law.



2. It is important to comply with various federal, state, and local regulations.



3. It is important to be a law-abiding corporate citizen.



4. It is important that a successful firm be defined as one that fulfills its legal obligations.



5. It is important to provide goods and services that at least meet minimal legal requirements.

Picture: Own translation

2.2.1.3 Ethical responsibilities

The ethical responsibility aims to respond to society's expectations of the company even though it is not written in law (Carroll, 1991). Carroll (1991) argues that even if the economic and legal responsibilities include certain ethical standards of fairness, the ethical responsibility contains activities that the public expects should be banned, even if Law does not prescribe them. The ethical responsibility is included in the next layer of Carroll's four-piece model, although it is known that it interacts with the legal responsibility when the laws are constantly expanding and the ethical parts more and more transfer to the legal field (Carroll, 1991).

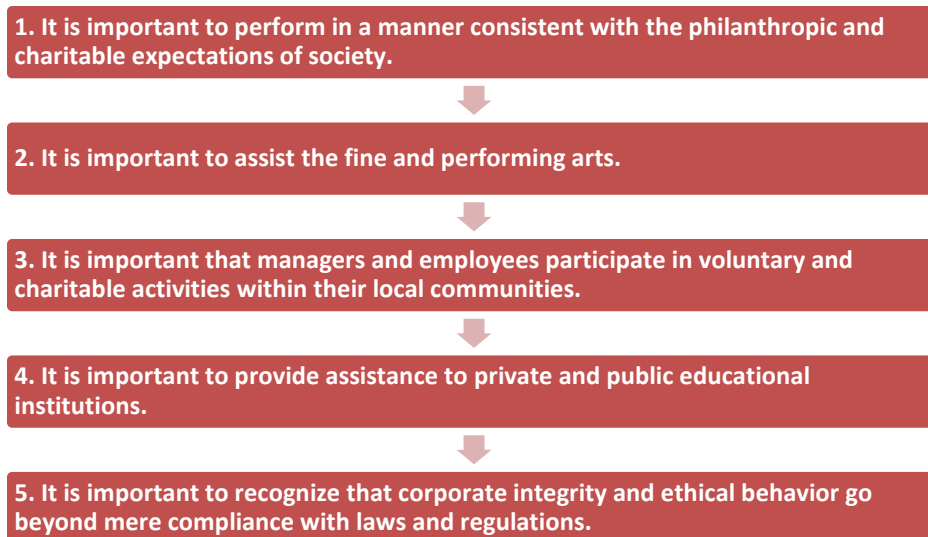


Picture: Own translation

Carroll, 1991, p. 5

2.2.1.4 Philanthropical responsibility

The last step and responsibility in the CSR pyramid is philanthropic responsibility and involves the way in which the company can contribute to the welfare in one way or another (Carroll, 1991). It can range from goodwill for scholarships, art grants and other societal contributions that companies can contribute (Carroll, 2001). When a company takes a philanthropic responsibility it is not as expected as when it comes to taking ethical responsibility, but instead it is about to volunteer their money for a charitable cause.



Picture: Own translation

Carroll, 1991, p. 5

A lot of the CSR literature describes the concept from a perspective that either run from within the organization or from outside the organization (Aguilera, Rupp, Williams, Ganapathi, 2007), where the inside perspective is aimed at that CSR-issues are often driven by the manager's personal morality (Carroll, 2000). Borglund (2006) argues that new needs has been created because there have been changes in the relations between corporates and stakeholders, from when it, during the 1990s, was the shareholders that were the most important stakeholders to, during the 2000s, becoming more important with other stakeholder groups (Borglund, 2006).

2.2.2 The stakeholder theory

Because of that we live in a globalized world that is constantly changing in a context where different actors exist together, the *Stakeholder theory* seem to have become a very popular and influential model for companies working with CSR (Löhman & Steinholtz, 2003; Grafström et al. 2008). Today's businesses have a large number of stakeholders, which are making it difficult for the business to meet all stakeholders' requirements and expectations (Blombäck & Wigren, 2008). In 1984 the model were introduced for the first time by Edward Freeman, where he argues in his book *Strategic Management: A Stakeholder Approach* (1984) for the importance of taking advantage of the company's stakeholders, but the interest surrounding this theory has since then increased steadily in the community

(Laplume, Sonpar, Litz, 2008) and many theories have the *Stakeholder theory* as a starting point (McWilliams et al, 2006). The stakeholder theory assumes that value creation is fundamental for doing good business when there is a procedure for companies to strategically address issues of stakeholder needs and expectations, thus creating corporate social responsibility, which can also lead to better results (Freeman, Wicks, Parmar, 2004; Laplume et al 2008). Furthermore, stakeholders' all parties somehow have an impact on the company and the company is affected by and depends on this (Freeman, 1984; Crane & Matten, 2010). Freeman (1984) and Crane & Matten (2010) define stakeholder groups as follow:

“Any group or individual who can affect or is affected by the achievement of the organization’s objectives”

Freeman, 1984, p. 6

“A stakeholder of a corporation is an individual or a group which either: is harmed by, or benefits from, the corporation; or whose rights can be violated, or have to be respected, by the corporation.”

Crane & Matten, 2010, p. 62

Donaldson and Preston (1995) describes the differences between the shareholder perspective and the *Stakeholder theory*, which can be easily mixed up. He argues further that the shareholder perspective is exclusively based on the shareholders' interests in terms of profit maximization, which is based on the shareholder perspective by Friedman (1970). In this case, it is only the investors, employees, suppliers and customers who are involved in the shareholders. Friedman (1962) defines the shareholders as following;

“The only group that has a moral claim on the corporation is the people who own the stock”

Friedman, 1962, p. 6



Picture: Own translation

(Facts from Donaldson & Preston, 1995; Crane & Matten 2010; Freeman, 1984; Friedman 1970)

Friedman (1962) and Fama & Laffer (1971) say that the only reason to use CSR is if it is beneficial to shareholders in the form of profit. The *Stakeholder theory* on the other hand takes into account the multi-stakeholders such as governments, political groups, trade unions, community, associating companies, prospective employees, prospective customers, competitors and the public at large (Donaldson & Preston, 1995; Crane & Matten 2010; Freeman, 1984). However, it is almost impossible to define the exact stakeholders of a company, since it is something that varies with every company (Crane & Matten 2010).

Freeman argues that to make it easier for the management to deal with the various stakeholders' interests more effectively, they should locate and divide the stakeholders into different groups (Freeman, 1984). He has therefore divided the various stakeholders into two different groups: primary and secondary stakeholders (Clarkson, 2005; Freeman, 1984; Grafström et al, 2008; Löhman & Steinholtz, 2003). The primary stakeholders are directly

affected by the daily business while secondary stakeholders are affected indirectly (Freeman, 1984; Post, Lawrence & Weber, 2001; Clarkson, 1995). For the company to survive, they must satisfy the primary stakeholders' expectations and requirements, which are making them the most important group, while secondary stakeholders are not that important (Clarkson, 1995).

When it is in the stakeholders' interest that a company works with, for example, CSR, it immediately requires that the company obtains the trust of its stakeholders, for example by obtaining legitimacy.

2.2.3 Legitimacy Theory

Legitimacy theory means that companies always aim to act within the standards set by the company's surroundings, in other words to reflect a value of morality and ethics (Brown & Deegan, 1998). *Legitimacy theory* therefore goes hand in hand with the *Stakeholder theory* in the sense that different stakeholders have different views about what it is, and what it is that gives the company legitimacy. Ljungdahl (1999) argues though, that organisations belonging to one particular industry tend to have similar structures and procedures regarding their CSR-work.

According to Ahmad and Sulaiman (2004), the *Legitimacy theory* is one of the most common theoretical starting point for the research on CSR, because it is important for corporations to gain trust in form of legitimacy to be reliable within these issues. Tilling (2004) writes about previous research that has described four different types of legitimacy, the first is to establish legitimacy, the second is to maintain the legitimacy, the fourth is to expand the legitimacy and ultimately the fifth is to defend the legitimacy. This means that if a company shows that they take social responsibility once and never again, they win no legitimacy. They must maintain their legitimacy by showing that they are consistent with what they say, and that what they say they want to achieve is not just words. In addition, Meyer and Rowan (1977) consider that legitimacy is one of the most important qualities for a company to survive and have a good long-term business.

In order for a company to gain legitimacy in terms of CSR, among its stakeholders, it is essential that they are transparent with their work.

2.2.4 Transparency

The increasing trend of CSR has also increased the importance of transparency, meaning that companies are open and public with their business activities (Larsson, 2002). Malmeby (2002) argues that *“the requirement for transparency has come to stay - and increase”* and that it is now important to show that you are actually doing what you are promising, and what is said is not only words. It is no longer enough to simply affirm that you are taking a social responsibility (Malmeby, 2002). He says along with de Geer (2002) that for those companies that realize the importance of visible leadership, that takes into account all stakeholders, will in the long-term conduct to doing good business. The common people are becoming increasingly more savvy and interested in the company's values and the inspection of other stakeholders such as the media, and the statutory audit of public companies, has made that transparency has become increasingly important in the examination of external stakeholders (de Geer, 2002). In order to take care of their reputation, brand and business, firms are forced to articulate their values, as the pressure from both pulp market, capital market and the job market are as large (de Geer, 2002). Being transparent also opens up the possibility to cooperate, because the company shows that it is open and willing to share the company's activities with others, which could be beneficial when working with CSR.

2.3 Partnership and cooperation

Jupp (2000) means that sometimes it can be either businesses, government or non-governmental organizations that want to accomplish something in a matter in which they are engaged in, but that they on their own do not have the ability to do so. If there are several parties who have common interests, the question arises whether to cooperate through partnerships with these or to work individually. However, past experience shows that partnership is the best strategy to work for the social needs (Jupp, 2000). It may also be that the efficiency and reduced duplication is a reason for starting up a partnership when it effectively uses its resources, which is a crucial aspect in the process of CSR (Brandstetter et al, 2006; Borglund & Norberg, 2011).

The requirements to work with CSR increases from external stakeholders, which conflicts with the financial responsibility towards internal stakeholders (Hine & Preuss, 2009). However, the idea that CSR can mean a financial value creation in the long-term is combining both the external and the internal stakeholders' requirements (Borglund & Norberg, 2011). The partnership would then be a good solution to this when it comes to streamlining activities' resources (Brandstetter et al, 2006). In addition partnerships are seen as an organizational model for overcoming political barriers and governance framework (Brandstetter et al, 2006).

It is hard to discuss exactly what a partnership includes when there are an infinite number of different partnerships. One form of partnership might work in a particular region or country, but maybe not in another (Brandstetter et al, 2006). One could, however, say that a partnership involves at least some form of cooperation towards a common goal, which the World Bank, Partnerships Group, Strategy and Resource Management (1998) defines as below:

“Partnership is a collaborative relationship between entities to work toward shared objectives through a mutually agreed division of labour”.

World Bank, Partnerships group, Strategy and Resource Management, 1998, p. 5

When entering into a partnership and choosing to work together toward a common goal; a lot of benefits appear (Jupp, 2000). Partnerships between different stakeholders is the most effective way to improve the most central social needs such as education, health, housing, crime prevention (Jupp, 2000). Jupp (2000) means that the key for the partnership to succeed is cooperation and to share goals, rewards and setbacks.

For a partnership to work, common clear goals have to be set, as mentioned before, but it is also important to ensure that these goals benefit each partner individually. If the goals do not create value to the partnership and to the already existing businesses, the cooperation might lose its purpose (Jupp, 2000; Brandstetter et al, 2006). To make the partners share the same vision, they must agree on a strategy on how to work together, which is based on a

shared understanding of the issues they are working with (Brandstetter et al, 2006). For this to work, it is also important that there is a trust between partners and that the partnership is based on evaluation as well as a developing understanding (Jupp, 2000). When working through partnerships the management is very important because there is a need of a common regulatory framework, political will and economic conditions (Jupp, 2000; Brandstetter et al, 2006). Furthermore, when establishing a partnership, an action plan must be made. This should be an action plan that discusses the interests of the parties, the roles and which resources everyone should contribute with (Jupp, 2000).

Because individual parties will contribute a new perspective to the partnership, cooperation can lead to dealing with social problems and also to stimulate innovation that probably would not had happened if they had worked each one individually. When they work together they are becoming the critical mass needed to make enough effort in order to change the social environment, for example help with development in a poor area and further enhance the trust between local residents, businesses and public organizations (Jupp, 2000). The partnership is an instrument for local control and may contribute to the creation of a mechanism for local organizations in a poor area, where the partnership helps them to see how when working together, the society will evolve according to their local needs and economy (Brandstetter et al, 2006).

By working together, it can avoid fragmentation of interests and emphasize what is important and therefore be aided by the government. The partnership will also contribute to information exchange in which all parties use different types of databases and communication technologies (Jupp, 2000). When exchanging ideas and knowledge it can lead to partnerships where members receive valuable experience and a broader understanding (Compassion Capital Fund National Resource Center).

To make this possible, a need for any kind of leadership that can control and navigate all the parties arise, because there is a lot more data handled by the new entity which arises through the partnership (Jupp, 2000; Brandstetter et al, 2006). It is therefore a good idea to establish an agreed management structure that is independent of a single partner and thus stabilizes the entire cooperation. (Jupp, 2000)

Brandstetter et al (2006) defines the importance of communication within the partnership, as *“If the organizational structure of a partnership is the glue that holds it together, and then communication is the grease which allows it to operate smoothly”*. To get better communication between the parties, meetings should be held where the parties make decisions together and integrate with each other. The participating parties must be in the partnership and also have a two-way communication role because they represent the original business and the partnership (Brandstetter et al, 2006).

Although PCA (Partnership and Cooperation Agreements) in theory sounds very appealing, it is not always it works in practice. There are a lot of things that come into play. If there is an agreement between several parties, things often takes more time to accomplish, which in turn can lead to some compromises (Jupp, 2000).

Another tricky thing is that the gain or the goal that has been reached always must be divided between the parties (Jupp, 2000). Furthermore, the basic idea of partnerships is, as mentioned, to work toward a common goal, but it is not always that all partners can identify themselves with the goals or purposes and therefore risking not being fully engaged (Brandstetter et al, 2006). Because a partnership is more complex than how a single business works in a given context, complications may arise when something changes (Brandstetter et al, 2006).

In conclusion, the basic idea of cooperation is working together to accomplish something that the parties had not been able to do by themselves, streamline their resources and learn from each other. Learning from each other by for example partnerships is an example of how *Benchmarking* could be used.

2.3.1 Benchmarking

Benchmarking is a tool that can be useful when working with CSR, as it allows organizations to compare their own processes and results with others, or to the relationship they have to the best practice in the same sector (Sardinha, Rejinders, Antunes, 2011). Companies can thus learn from each other, improving their operations by learning from best practice

(Graafland and Eiffinger, 2004). To get the best possible validity through the use of *Benchmarking*, the organisations should not compare themselves to companies in other industries but within the same industry (Krut & Munis, 1998).

Fair Wear Foundation (FWF) is a very good example of such an independent organization where businesses and factories can compare themselves within the same sector. By sharing experiences, relationships, knowledge and so on, the members of FWF work together to improve their efficiency and efforts to improve working conditions for garment workers (Fair Wear website).

The Global Reporting Initiative (GRI) is another organization that can be helpful in *Benchmarking* purposes. GRI has developed a *Sustainability Reporting Framework* that is published and used worldwide, where you can read about its members' work with economic, environmental and social issues. The idea of GRI is as well as the one of FWF, that the members will learn from each other, but that GRI use reporting systems that measure and report their sustainability performance of daily activities (Global Reporting website).

2.4 Summary Theoretical Framework

Broadly, the theory chapter at first brings up the differences of defining and using CSR. However, we can discern that the economic-, social- and environmental aspects are recurrent in the definition. The reason of using CSR may be due to pressure from various stakeholders, shareholders or that it is voluntary, although it always comes back to the economic aspects, as this is the foundation to even engage in CSR. Further, *Carroll's four-part model*, *Stakeholder theory*, *Legitimacy theory* and *Transparency* are introduced to picture the connection why companies choose to work with CSR and how it could be facilitated by *Cooperation* and *Benchmarking*. Because CSR largely is a question of making more efficient use of its resources, cooperation is a good solution, which also contributes to increased knowledge and opportunity to innovation. The meaning of *Benchmarking* is also to serve as a tool to compare performances of daily activities and consequently learn from each other. We think we can see a clear link between the different parts in the theory and that they are consistent with the empirical material. The studied companies that will be

presented in the empirical chapter are all members in various CSR-partnerships and see great advantages to cooperate in the field because it is a critical observed industry, and that acting alone is not strong enough to make as great impact on the social problems as they wish.

3. Method

In this following methodology chapter, we want to present the methodological approach we have chosen to use. We describe the selection of the applied methods, the process, its reliability, validity, and so on.

3.1 Choice of Method

When choosing a method for a study it should be based on the problem statement (Jacobsen, 2002). Since the purpose of our thesis is to get a deeper understanding of how Swedish companies in the fashion industry actively work on CSR issues either individually or together, and the problems that can occur with the cooperation and the difficulties to act alone, we chose to use an explanatory formulation that allows us to understand the problem rather than finding a solution.

3.1.1 Qualitative vs Quantitative Research

There are two different ways in which one can collect primary data, either by quantitative or qualitative research. The difference between qualitative and quantitative research is that when it comes to quantitative research, the focus is usually to test different hypotheses. Qualitative research is more about to create and develop the hypotheses that become the basis for a quantitative assessment, and in some qualitative research the researchers do not use hypotheses at all (Ryen, 2004).

We have chosen to use a qualitative method because we want to get a deeper understanding of how Swedish companies in the fashion industry actively work on CSR issues either individually or together, and the problems that can occur with the cooperation and the difficulties to act alone. Our problem statement is, as mentioned earlier, also very explanatory, making it difficult to use the services of a quantitative method. If you have a slightly more obscure problem, it is easier to make use of qualitative methods as the qualitative method helps in obtaining better understanding of the research question because there are no fixed questions with obvious answers. If it instead would have been a

matter of questions with obvious answers it would have been better if one used a quantitative approach (Jacobsen, 2002). Jacobsen (2002) and Trost (2010) argue that the qualitative method is time consuming and that there may be problems with generalization. We limited ourselves to interview representatives from only four fashion businesses to stay within our time frame, but without an ambition to generalize.

3.1.2 Research Approach

There are two common types of approaches that one can use when doing a study. These are deduction or induction. Deduction involves drawing conclusions from the theory before you start with the empirical data and induction on the contrary is to start from the empirical data before you start with the theory (Ryen, 2004). Alvesson and Sköldberg (1994) writes about a concept called "abduction", which is like a mixture of deduction and induction, that is, starting from the empirical data but still weaves in theoretical conceptions which is good if you want to add more theory even after the study.

Since we did not have much knowledge about our thesis topic before we started our study, we began to read up on some theories to be able to ask the most relevant questions in order to be able to answer our thesis purpose in the best way possible. As we conducted our study in a relatively early stage we had no time to gather all the relevant theory we wanted to use, which means that we needed to add even more theory after completing the interviews. When we had one round of interviews it emerged new interesting topics that we wanted to bury ourselves in, which led to extended theory and modified problems. Since we modified our research questions after we have had round one of interviews it became highly topical to come back to each company for another round to ask additional questions. Having this said, we can conclude that we have used an abductive approach in our thesis; this means that we alternately started from both theoretical data and empirical data for the whole writing process. By using this approach we were always able to find the most relevant theory and were able to ask the most relevant questions. By this we were also able to take into account what our respondents seemed to think was interesting, to be able to present a study that could be useful.

To get an understanding of how reality works there are, according to Jacobsen (2002), also two more different approaches that can be applied, these are hermeneutics and positivism. Positivism is based on science, and what is important is the logic and facts, while hermeneutics on the other hand is about a person's interpretations and understanding of science (Jacobsen, 2002).

We made use of the hermeneutic method. Before we interviewed and interpret our respondents we read some theory about CSR and some facts about the companies and their approaches. This means that the interpretations we have made of our study are based on the knowledge we had before we started. Since the purpose of our study is to gain a deeper understanding of how Swedish companies in the fashion industry actively work on CSR issues either individually or together, and the problems that can occur with the cooperation and the difficulties to act alone, rather than use science to complete the study, we believe that this method is the most suitable for us.

3.2 Choice of data

To familiarize ourselves with the definition of CSR and to try to understand the problems that can arise, mainly in the fashion business, we have chosen to read a lot of relevant books and scientific articles on the subject. But to also be able to relate to real events, we chose to interview five people working with CSR related issues in four different Swedish fashion companies.

3.2.1 Secondary data

To find relevant secondary data for our study, we began by reading books which we thought seemed relevant to our study, but to increase the reliability of the study, we rather wanted to use scientific articles since the studies in these are scientifically proven. We therefore used the books to lead us further on to relevant scientific articles and tips on keywords that we could use in different databases. The keywords we used in different combinations when searching the databases were: "CSR", "sustainability", "fashion industry", "cooperation", "partnership", "transparency", "network", "benchmarking", "cooperation", "stakeholder

theory" and "legitimacy". In our search, we used four different databases: Business Source Premier, Science Direct, Emerald and Web of Knowledge.

To gain a greater credibility in a study Jacobsen (2002) argues for that at least two sources for every theoretical point of view are needed; therefore we have strived for to try to find as many theoretical sources as possible, arguing for the same thing.

We collected two types of secondary data, beyond the books and scientific articles we also include some secondary data in our empirical chapter to get a deeper understanding of what companies really stand for and work with. This data was collected through the four corporates' CSR reports and by finding information on their websites.

3.2.2 Primary data

Since the purpose of our thesis is to get a deeper understanding of how Swedish companies in the fashion industry actively work on CSR issues either individually or together, and the problems that can occur with the cooperation and the difficulties to act alone, we chose to interview five persons in four competing Swedish fashion companies by visiting them in their offices, speaking by Skype and speaking by phone. Wärneryd (1990) suggests that when seen face to face for an interview, it is easier to talk about sensitive topics and that this increase the study's credibility. He also believes that when interviewing face to face it is possible to interpret the respondent's body language. Marcus Bergman and Eva Kindgren, representing Gina Tricot respective KappaAhl, whose headquarters is located near Gothenburg, we met for a first interview face-to-face at their respective workplaces. Since the representatives of Odd Molly (Kristin Roos) and Filippa K (Elin Larsson) were located in Stockholm, we were, because of the distance, unfortunately forced to have these interviews by Skype. We had two interviews by Skype with Kristin Roos and one interview by Skype with Elin Larsson. We also had two more interviews, one with a representative at Gina Tricot (Anna-Karin Wårfors) and one more with the representative at KappaAhl (Eva Kindgren), but because of lack of time, we had these interviews by phone. In other words: We had totally seven interviews with five different respondents representing four different companies.

Interview	Company	Respondent	Interview situation
No 1, held 2013-11-19	Gina Tricot	Marcus Bergman	Face-to-face
No 2, held 2013-11-20	Odd Molly	Kristin Roos	By Skype
No 3, held 2013-11-27	KappAhl	Eva Kindgren	Face-to-face
No 4, held 2013-12-09	Odd Molly	Kristin Roos	By Skype
No 5, held 2013-12-11	KappAhl	Eva Kindgren	By phone
No 6, held 2013-12-13	Gina Tricot	Anna-Karin Wårfors	By phone
No 7, held 2013-12-19	Filippa K	Elin Larsson	By Skype

It is hard to be an interested listener while writing down what the respondent says and it is usually rather common that mostly of an interview may be constructed afterwards and then discussed again between the interviewer and the respondent. To avoid these problems, it has become increasingly common to record the interview so that one can write down exactly all that is said in retrospect and direct all your attention to listen to the respondent during the interview (Ryen, 2004). In order to get as much information as possible during the interview and so that the respondent would feel that we were interested in what he/she told us, we chose not to take notes during the interview. Instead the entire interviews were recorded, with their permission.

Jacobsen (2002) means that in order to get direct answers to questions during an interview, it is important to establish trust between the interviewer and the respondent. To achieve the trust of the respondent, it may be good to start the interview by talking about ourselves and give a short presentation of who we are, what the study is about and what purpose we have to study (Jacobsen, 2002). We thought about this and began each interview by introducing our purpose and ourselves.

3.3 Procedure

3.3.1 Pre-understanding and understanding

Wormanæs (1996) explains that an understanding of something is determined by a pre-understanding of something. Pre-understanding in turn consists of the previous opinions and perceptions that the researcher had regarding the chosen phenomenon of the study. By a

prior is being well-read in the field concerned, which then can result that the researcher already at meeting with the respondents contribute their own preconceptions and thus get the most out of the meeting (Dalen, 2007). Both Gallagher (1992) and Gadamer (1984) claims that a researcher who before the meeting is more informed of the current topic is more likely to take in the information instead of just listening passively. The researcher already here begins to process the information that he/she is taking in. Pre-understanding is also important at a later stage to interpret the information that is received and for further results in opportunities for theory development (Gadamer, 1984).

Furthermore, the researcher must interpret the information gained from the interviews with the respondents, which initially starts from the respondents' direct statements. The interpretation is built later on when the researcher goes through the empirical material and combines his own view with the regarding theory of the subject (Dalen, 2007).

We chose to read the corporates' sustainability reports before having the interviews to be able to listen as closely as possible to understand, and to be able to process the information to come up with better follow-up questions. Afterward, we interpret the information we received, by comparing the different companies and their answers with theory from scientific articles, books and their sustainability reports.

3.3.2 Selection

Dalen (2007) means that when making use of a qualitative interview method, the choice of respondents is very important. He says that questions about which people to interview, how many and by which criteria are common questions that may pop up. He argues further that given that both the interviews and the evaluation of them are processes which take a lot of time, usually makes the number of respondents not to large. However, the researcher should collect enough empirical data for making it possible having sufficient material for interpretation and analysis (Dalen, 2007). When the goal of a qualitative approach is not to generalize the responses of respondents to the larger population, but to examine some problems, it is not necessary to have too many respondents, according to Jacobsen (2002).

To be able to succeed within our time frame, since our study is pretty deep going, we restricted ourselves to interview five respondents in four companies and because we are not looking to generalize but rather investigate some problems, it is, as mentioned, not necessary to have too many respondents.

We have chosen to have totally seven interviews with five different persons who are actively working with CSR-issues in four different Swedish fashion companies. These are Marcus Bergman and Anna-Karin Wårfors at Gina Tricot, Kristin Roos at Odd Molly, Eva Kindgren at Kappahl and Elin Larsson at Filippa K. The choice of companies is based on that we wanted to examine four competing companies in the same industry but which are still different from each other to get a broader perspective. In our opinion Odd Molly is a smaller more exclusive clothing line that caters to a clientele that includes three generations, Kappahl is a larger company which is more budget oriented and aims at a slightly older clientele, Gina Tricot is a medium sized company which is also budget oriented, but aims at a younger audience, and Filippa K that also is a more exclusive clothing line who focus a lot on quality and design. These are the respondents that we have interviewed and their positions in the companies:

Company	Respondent	Position in the company
Gina Tricot	Marcus Bergman	Sustainability manager
Gina Tricot	Anna-Karin Wårfors	CSR manager
Odd Molly	Kristin Roos	Production manager
KappAhl	Eva Kindgren	CSR manager
Filippa K	Elin Larsson	CR manager

We had two interviews each with Kristin Roos at Odd Molly and Eva Kindgren at KappAhl, we interviewed Marcus Bergman and Anna-Karin Wårfors at Gina Tricot separately once each and because we had our interview with Elin Larsson at Filippa K at the very end, we only interviewed her once, since we found out what we wanted to know after the first interview.

3.3.3 Limitations

We have theoretically limited ourselves to focus on the four questions that we used to answer the purpose of this thesis. This resulted in theory about the definition of CSR, theory on why companies work with CSR, and general advantages and disadvantages of cooperation. In the theory of the purpose of the CSR, we focus on *Carroll's four-part model*, *Stakeholder theory*, *Legitimacy theory* and *Transparency*. In the theory of general advantages and disadvantages of cooperation, we partly focus on *Benchmarking*. We chose to focus on these theories because we thought they seemed most relevant to our topic and they were also the theories that were most common among earlier research on CSR.

We have empirically limited our study to interview five people, employed in positions with responsibility for CSR issues, representing four Swedish fashion companies.

3.3.4 Interview formulation

Ryen (2004) says that one should begin an interview by asking biographical questions describing the respondent and what data you should include in this depends on which problem statement you have.

We began by asking questions about the respondent's employment at the company, how long the employee has worked there, how well the person likes the working place, what position the person has in the company, which tasks the person has etc. because we felt that this was relevant to our problem statement, but also to lighten the mood up a bit before we started to ask the deeper questions.

To make our interview as precise as possible, we started from the preliminary theoretical framework that we had sketched out when we started constructing our interview. We divided our questions in to three different categories, which were: *What is CSR?*, *The purpose of CSR* and *Partnership and cooperation*. This makes so that it is easy to compare the theory with empirical data.

We sent out our interview questions a few days in advance to each respondent, as we believe that the respondents can prepare themselves more when having access to the questions and therefore also come up with more detailed answers and not risk being stumped. The criticism of this is that when the respondents have time to prepare, it may be that the answers are not quite as reliable as they might have been if they had been more spontaneous.

3.3.5 Sample interview

According to Dalen (2007), the researcher must always make at least one sample interview before the real interview to see if the formulated interview template will work in reality. He argues that during the sample interview the technology and the planned questions gets tested and could be reformulated if they are less good. It may also be useful listening to how you sound in an interview situation and how you act in the role as an interviewer (Dalen, 2007). He adds that in case you are not happy with the way you sound it is still possible to change before the real interview.

We conducted a test interview where we tried our interview questions on one of our friends. We found, among other things, that it is easy to influence the respondent in different ways to get him/her to respond the way you want, which we then thought of not doing in the real interviews. We also noticed that we always gave small response as "mm" and "aha" which was superfluous, so we tried to avoid it in the real interviews and tried to let the respondent speak more freely.

3.4 Analysis method

Firstly, we transcribed our interviews. Since during an interview, it is common that a respondent's answer to a particular question may contain answers to other questions as well, we created a coding system. We coded our transcriptions with colored pencils, a color for each question/topic. Then we compiled the topics we have chosen to discuss in a running text, and excluded those pieces that we felt were irrelevant to our study. The exclusion of some pieces may have resulted in that there were some important things missing, but

because the answers we received from our respondents were so extensive we had to try to pick out what was most important for our study. We also need criticize ourselves for not sending out the complete summary for the approval of our respondents before we wrote our empirical chapter, since it might be time-consuming to change something in the paper after it has been printed. We used the summary to write our empirical chapter and in our analysis chapter the empirical data stood against the theoretical data we had collected.

3.5 Criticism

Since we know that there are both advantages and disadvantages of our choice of method, choice of secondary data and the choice of primary data, we will present our criticism of the choices we made.

3.5.1 Criticism against the choice of method

As mentioned earlier, Jacobsen (2002) argues that there is a risk of generalization in a qualitative study. Since our purpose is not to generalize the study's results, but rather that we wanted to gain a deeper understanding of how Swedish companies in the fashion industry actively work on CSR issues either individually or together, and the problems that can occur with the cooperation and the difficulties to act alone, we think that a qualitative method was the most appropriate. If we had chosen a quantitative approach instead, we would have for example received a statistic result on how many companies there are that work individually vs together, and not the understanding of how and why this is possible.

Our choice to make use of an abductive method was not really a conscious choice, but since we had no clear purpose when we began our interviews, we were inspired by the responses we got. Ultimately, we think this was a good method for our study. After all, we felt that by using this kind of method we could always find relevant theory and be able to ask the most relevant questions. By this we were also able to take into account what our respondents seemed to think was interesting, to be able to present a study that could be useful.

3.5.2 Criticism against secondary data

We must take into consideration that many of our sources are elderly, which means that researchers may have come up with new theories. We believe, however, that since the concept of CSR is relatively new, the facts are not old enough to be considered obsolete. We also think that the theories, which are a bit older, such as *Carroll's Four Part Model* (1979, 1991), *Freeman's Stakeholder theory* (1984), *Friedman's Shareholder perspective* (1962), which are also used in a lot of new research material, therefore can be considered as credible sources.

3.5.3 Criticism against primary data

We have chosen to interview five people in four Swedish fashion companies, because it was the right number in order to be able to do deep analysis of our interviews while staying within the time frame. We are aware that five respondents could be viewed as few respondents, but we believe, as stated, that the low number of respondents allowed us to go deeper.

However, we must give ourselves criticism that we did not have the opportunity to interview all our respondents face-to-face. We are aware that we may have missed out on several interpretative aspects such as, for example, body language. In order to still be able to interpret as well as possible, and because we both would have the opportunity to ask questions and be involved in the interview, we had two interviews by Skype instead of by phone. However, two interviews were held by phone by just one of us, which could have led to that important interpretation facts have been left out.

3.5.4 Criticism against method

Since we changed our purpose after our first round of interviews, we level a criticism against that we have not done enough pre-research before we started with the problem formulation. If we had done a more thorough pre-research before we formulated our problem and not the other way around, we would maybe have had a useful problem from the beginning, thus saving a lot of time.

3.6 Validity

Validity means the relevance of the study for measuring the phenomenon that it is intended to measure and how well it matches the reality (Jacobsen, 2002). Did we measure what we wanted to measure?

Since our purpose is not to generalize the study's results, but rather that we wanted to gain a deeper understanding of how Swedish companies in the fashion industry actively work on CSR issues either individually or together, and the problems that can occur with the cooperation and the difficulties to act alone, we think that by following our research questions we are actually discussing the line of argument we found out when we performed our study.

We also think it strengthens our validity that we in the process have been participating in two seminars where the thesis has been critical reviewed by 5-7 people.

3.7 Reliability

Reliability means how accurate one was when measuring the phenomenon considered to measure, and if the information gathered in the study is reliable. What kind of instruments that has been used; if there have been any mistake etc. (Kvale, 2009; Jacobsen, 2002).

For the inquiries to be as reliable as possible, we were careful in the selection of our respondents. We chose to interview our respondents because all of them work with CSR-issues on a daily basis and is also responsible in this area within the organization and therefore considered legitimate respondents. Consequently, we believe that they were the best possible representatives in each company, to be able to measure the phenomenon that this thesis aims to investigate.

We also put a lot of time to formulate our interview guide to make it as relevant as possible for our study, and since we have recorded all interviews and transcribed them literally, resulting in 50 full A4 pages, we believe that our study is reliable.

4. Empirical Data

We have divided our empirical data into five parts. At first we will describe each company shortly, secondly we will present the interviewed employees and their tasks in respective company and at last we will present the rest of our data based on the three main topics we have chosen to present in our theoretical framework. In the empirical data, we will mix our primary data with secondary data from, for example, the studied companies' CSR reports, to get a better understanding of the context that we are studying.



Gina Tricot

- **Respondents:** Marcus Bergman and Anna-Karin Wårfors
- **Positions:** Sustainability Manager and CSR Manager



Odd Molly

- **Respondent:** Kristin Roos
- **Position:** Production Manager



Kappahl

- **Respondent:** Eva Kindstrand
- **Position:** CSR Manager



Filippa K

- **Respondent:** Elin Larsson
- **Position:** CR Manager

4.1 Business description

4.1.1 Gina Tricot

Gina Tricot is a Swedish fashion chain which was started in 1997 with a few shops, which have grown over the years to today's about 180 stores spread across five countries: Sweden, Norway, Finland, Denmark and Germany (Gina Tricot's website). As mentioned Gina Tricot opened its first stores 15 years ago with a business concept to create trendy, affordable fashion for women of all ages (Gina Tricot Hållbarhetsredovisning 2012).

Gina Tricot mainly offers clothes, shoes, accessories and cosmetics, had a turnover of 2.5 billion 2012, has 2,023 employees and its headquarter is located in Borås (Gina Tricot Hållbarhetsredovisning 2012).

4.1.2 Odd Molly

Odd Molly is a Swedish fashion company founded in 2004 when the three founders met and came together to the conclusion that something was lacking in the fashion world (Odd Molly's website). They then started to design, market and sell fashion, initially on a small scale but ten years after the founding, Odd Molly's clothing is sold through about 1300 retailers across 35 countries (Odd Molly's Annual Report, 2012).

Odd Molly's business concept is, as mentioned, to design, market and sell fashion. Their turnover in 2012 was 223.724 million SEK (Odd Molly's Annual Report, 2012) and Kristin Roos tells us that they are 35 employees at the headquarters in Stockholm, but a grand total of 55-60 employees including their own store staff.

"Odd Molly is a brand with a mind, a heart and a conscience. Odd Molly is also a loving brand with high ambitions, yet a brand that will never take itself very seriously. The Odd Molly mind loves to submit to its appetite for more, always being damn fabulous meanwhile" ([https://www.oddmolly.com/investors/about-odd-molly/the-odd-molly-brand 2014-01-07](https://www.oddmolly.com/investors/about-odd-molly/the-odd-molly-brand-2014-01-07)).

4.1.3 KappAhl

KappAhl is a Swedish fashion chain founded in 1953 with the business concept "affordable fashion for many people", but they primarily focuses on middle-aged women (KappAhl's website). Today KappAhl has, excluding their web shop, about 400 stores, primarily in the Nordic countries (Sweden, Finland and Norway) and Poland (KappAhl's website).

KappAhl offers fashion at a fairly low price so that it will suit everyone. They had a turnover of 4.8 billion SEK 2012/2013, has approximately 4,500 employees worldwide and its

headquarters are located in Mölndal outside of Gothenburg (KappAhl Hållbarhetsredovisning 2013).

4.1.4 Filippa K

Filippa K was founded in 1993 with the business concept to manufacture: "Simple fashionable garments with a clean design (Filippa K's website). Essential pieces to build a wardrobe around, easy to combine and long-lasting in both style and quality" (<http://www.filippa-k.com/the-brand/the-story> 2014-01-07) and it is still the same idea that permeates the company. Today Filippa K operates in about 20 markets over the world through 50 own stores and they also distribute through more than 700 retailers (Filippa K's website).

Filippa K's values are Style, Simplicity and Quality, which permeate every move made by the company (Filippa K's website). Their business concept today is very similar to the one they had from the beginning: "Filippa K's business idea is to design, manufacture, communicate and sell commercial fashion garments and accessories with its own, timeless style. By offering well-designed products with a clear concept and of high quality at an attractive price, Filippa K shall be one of the most attractive brands for both women and men who appreciate fashion and quality" (<http://www.filippa-k.com/company/business-idea-and-values> 2014-01-07).

In 2011 Filippa K's turnover was 524 million SEK and they have about 200 employees, their headquarters is located in Stockholm but they also have seven local offices across several locations (Filippa K's website).

4.2 Respondent description

4.2.1 Marcus Bergman and Anna-Karin Wålfors, *Gina Tricot*

Marcus Bergman has been working as a sustainability manager at Gina Tricot's headquarters in Borås for one and a half years now. Marcus studied international relations at the university and has before he began working as a sustainability manager at Gina Tricot

worked in advertising and marketing and then also with textiles that includes teaching in the textile college in Borås. His primary role at Gina Tricot is related to the brand and the offering of the product, in other words to move the production in a more sustainable direction. Marcus works in a team with Anna-Karin Wårfors who is the CSR manager; she is responsible for all of the liability issues related to the company's suppliers. Marcus and Anna-Karin constitutes, together with the production manager Jenny Fredricsson and quality manager Rebecka Watkins, the one which Marcus calls "the sustainability group". Anna-Karin Wårfors has worked at Gina Tricot for five years and has a degree in economics, which she thinks is a good foundation to stand on when working with CSR. She has previously worked with purchasing, which she thinks has contributed to an understanding of the situation in which the suppliers are in which she also thinks is an advantage when working with the suppliers. She describes her work as if she was standing on two legs, one leg consisting of the follow-up of Gina Tricot's supply chain and the other leg consisting of her work as an overarching environmental coordinator for the entire company.

4.2.2 Kristin Roos, *Odd Molly*

Kristin Roos has worked at Odd Molly's headquarters in Stockholm for five years and her position is Production Manager. Being the Production Manager at Odd Molly means she is responsible for the production department, which includes responsibility for purchasers and everything that has to do with their suppliers and their factories. Part of this responsibility also means taking responsibility for CSR-issues in terms of their production and product development. Kristin initially has a degree in textile and is trained in pattern making, but she has worked with purchasing and production since the late 80s.

4.2.3 Eva Kindgren, *KappAhl*

Eva Kindgren is a qualified purchaser and has worked as a buyer in all past years in for example Lindex before joining KappAhl. 2006 Eva felt that she wanted to do something new, and then an opportunity in an office in Bangladesh turned up. Since nobody really did not want to go to this office because they were concerned about the situation in Bangladesh Eva saw the job as a challenge. Meanwhile Eva worked in Bangladesh; she thought it was hard

not to take any social responsibility so she started doing little things that made life a little bit easier for the population, especially for the depressed women who were working in their suppliers' factories. She discovered that although KappAhl is a profit driven company, there were minor contributions that could be done to the small money that did not affect the company's profits that much.

4.2.4 Elin Larsson, *Filippa K*

Elin Larsson has worked at Filippa K since she graduated from high school 18 years ago, that means Filippa K is her first job. Elin has since then worked with everything from sales, project management, media management and logistics before she entered the role as a supply manager. It was in her work as a supply manager about 3-4 years ago that she told her boss that it was time to take a more holistic approach on CSR-issues and to make sure that there was someone in charge of the area. When they began the search for a candidate for the job, they came to the final conclusion that the best person for the job was Elin who already had a good understanding of the company and all its parts. Elin also points out that it is a great advantage to have worked in so many different parts of the company when you have this kind of role. Elin acts as a coordination centre that is responsible for developing overall goals and guidelines and she is also a member of the management team. She always has close contact with each country manager and department manager to ensure that they are pushing through the agenda that they have set.

4.3 What is CSR?

Marcus says that since Gina Tricot is an organization that has both a CSR manager and a Sustainability manager; it has led them to focus separately on CSR and separately on *Sustainability*. With CSR, he says that they aim at those relationships where responsibility needs to be taken and this responsibility is primarily based on Gina Tricot's *Code of conduct*, but he adds that it can also be about their direct environmental impact. But, according to Marcus, *Sustainability* on the other hand, rather means the issues that are related to their products. In their sustainability report from 2012, which is also their first one, you can read about that because there are big differences between, for example, working environments

in Sweden and in the countries in which Gina Tricot suppliers' factories are located, it is important that Gina Tricot takes its responsibility. They take their social responsibility by maintaining good relationships with suppliers; have a clear *Code of conduct* and by having a sustainable commitment. In other words, it is important that Gina Tricot is working on contributing to the positive development in the countries that they operate in, such as China and Bangladesh. Marcus also says that instead of using the concept CSR he would rather use the concept of *Corporate Citizenship* where the company instead is being seen as a citizen with rights and duties, that to work as a citizen in a particular state one also has to adapt to their implicit rules and norms. Anna-Karin describes Gina Tricot's definition of CSR more succinctly: "It is for Gina Tricot to take responsibility for our operations at all levels." In their Sustainability Report from 2012 Gina Tricot defines their CSR work: "Through a clear CSR work, an eye on future materials and processes, a good dialogue with our suppliers and social investments, we make a difference."

Kristin says that Odd Molly defines CSR through the three areas that are most important to them. Further, she says that the first area they started working with were the social issues because that area was the one they felt was closest to their business and also most important to their customers. The second area is the environment in production and the last area that Odd Molly works on is the ethical issues such as Odd Molly has, for example, chosen not to work with fur. Kristin also adds that the general definition of CSR is that companies have to take their responsibility in society and in the world and how each company makes/defines this, depends on what you are working on in that particular company and where that company has the greatest impact. She refers to that, for example, the textile industry, which is affecting water in different ways, often are members of different initiatives working to improve the water conditions and through this contributes to a better social environment.

Eva means that KappAhl never actually uses the concept of CSR but is instead rather talking about *Sustainability* issues. In their sustainability report from 2013 KappAhl in turn defines the concept of *Sustainability* by using the three words: *Future*, *Friendly* and *Fashion*, to make it easier to communicate the concept. *Future* stands for work on environmental issues with a focus on "*reducing emissions of substances that have a negative impact on the environment*,

efficient use of finite resources and good waste management". Friendly stands for the work to build relationships with all the people and communities involved in KappAhl's operations in any way with the focus on "*good relationships with our key stakeholders, a good place to work and a good education*". *Fashion* stands for everything KappAhl is doing to develop durable and attractive fashion with a focus on "*sustainability dimension weighed in already in the design to ensure high quality in a global perspective, which encompasses everything from security to use appropriate materials*" (KappAhl's sustainability report 2013).

Elin at Filippa K means that they rarely talk about the concept of *Corporate Social Responsibility*, but that they would rather talk about *Corporate Responsibility (CR)*. This is because they think that the concept of CSR is limited because it is not just about social responsibility. She also adds that when they talk about these issues, they usually end up talking about it as *Sustainability*. Elin says that it is very difficult to define what is included under the term CR because it is such a large area where it is not possible to prioritize anything away; instead you have to take responsibility in all areas. She says that they at Filippa K rather say that whether it is environmental, social, ethical or financial responsibility all issues in the different areas are of equal importance. She adds that if you look at their specific industry, there are of course some challenges they pay extra attention to, such as water, chemicals, energy, social issues within their supply chain and also the part they think is the biggest challenge: Consumption. Within consumption, Filippa K decided to make by far the biggest footprint by trying to make sure that their products live as long as possible. Elin says Filippa K's goal is to become "*the champions of long lasting fashion*", and that they put their focus on this because this is where they feel they can contribute to a change that is larger than themselves.

4.4 Purpose of using CSR

4.4.1 How does the company work on CSR issues?

Anna-Karin says that because Gina Tricot is a young company, formed in 1997, the thoughts on taking responsibility for how they affect the environment existed from the beginning in a very natural way. In 2008 they took an even bigger step and called in a consultant for six months who reviewed the company and how they were working with CSR issues, and also

how their work could be improved. It was then, says Anna-Karin, her position in the company turned up and she was appointed. Marcus says that Gina Tricot is working with CSR after two different plans. They have a long plan extending over fifteen years in the future, and because it is so long it is also very ambitious and Marcus argues that when this plan is fulfilled, Gina Tricot will meet their definition of a sustainable fashion company. Furthermore, he says that they are also working on five-year plans where the fifteen-year plan is degraded, not only in time but also in various fields. Marcus talks about how they at Gina Tricot has introduced a 1-5 rating scale in order to give every material, every supplier and the various transport routes and combinations of these a sustainability rating. This in turn means that each product gets an average rating which one then can track down to the individual groups. The *Sustainability* work is also described in the sustainability report, it is said that in addition to the daily work there is also three meetings being held at regularly to ensure that measures are affected regarding product development, sales and marketing. These meetings are called strategy meetings, product meetings and sustainability day.

Kristin says that they at Odd Molly started working more actively with CSR in 2008-2009 and that they joined the *Fair Wear Foundation* in 2009. Before joining the FWF there was a large research effort to find out whether they would cooperate with any third party and if so with whom. This means it was during 2008 as they at Odd Molly felt that they had become so large that there was need of a larger plan for their work with CSR, and that they also could not work with these issues on their own. Kristin also says that Odd Molly's goal is that all who work with their product development should always have the CSR issues in mind. She says that they work primarily with two parts of CSR; this is the working condition in their suppliers' factories and also sustainability/environment, meaning water, chemicals and quality. The third party, the *Fair Wear Foundation*, controls the working conditions in their suppliers' factories.

Eva at KappAhl means that the business itself is responsible for taking the initiative to work with CSR issues because it is not prescribed by Law. They at Kappahl began working with the evaluation of their suppliers in 1993 and became environmentally certified in 1999. However, she also argues that Kappahl even before these years were working with environmental issues but it is only now in recent years as more time has been spent on

product and production issues. She believes that Kappahl today thinks of CSR in every move the company takes, from using the right materials, taking care of CO₂, sorting trash, using green electricity to drinking organic coffee in the offices. She also says there are a lot of employees in their various offices who work with the *Codes of conduct* and the controlling of that these are followed by the suppliers.

Elin says Filippa K started working on CSR issues in 2002. They began to follow up all the suppliers and began to try to ensure the whole production chain, and later in 2008 they became members of the *Fair Wear Foundation*. Since Filippa K has a large focus on consumption, they try to produce fashion that is timeless in design and also to produce garments with a high quality, so that it is garments that can be worn for years and that their products can be sold in several seasons. They also opened a second hand store in 2008 to offer all products a second and third life before they enter the recycling. Elin says that, of course, they are also aware of the environmental problems. For a while they offered Swan labelled t-shirts because they really would care to learn more, as a learning process. Elin says that they are currently working on something they probably will call "*our ultimate product*". This is a project where they will ensure all the steps all the way around, from cotton field/forest cultivation to the product's fate, to be as green as possible.

4.4.2 Why does the company work with CSR issues?

Gina Tricot's CEO Jörgen Appelqvist initially writes in Gina Tricot's sustainability report for 2012 that the reason Gina Tricot is working with CSR is that *Sustainability* builds profitability in the future, he then mentions the quote: "*There is no business on a dead planet.*" He also mentions that the *Transparency* of the work of CSR contributes to the strength of the brand and makes Gina Tricot an attractive employer. He also points out that it is also important for Gina Tricot to make a difference for those who are in difficult situations, in places they are operating in, for example by reducing their emission, improving the working conditions and their social environment. Marcus talks a lot about how important the work with CSR issues is to Gina Tricot, but he is also quick to weave in sales aspects, meaning that the company ultimately has to profit.

KappAhl's CEO Johan Åberg also starts KappAhl's sustainability report for 2013 by saying a few words about why KappAhl are working with *Sustainability*. He argues that since KappAhl today is active in geographically distant locations, it is important that these relations become long-term, and therefore the involvement in creating better conditions for them is important to gain their confidence. He also thinks that the rapid technological change that has occurred has led to that the world's resources are consumed at an increasing rate, which in turn leads to that KappAhl wants to work with the environmental issues in order to create a sustainable environment. Johan also thinks that by helping the suppliers to economize with the resources, a greater efficiency is created, which will be positive for both the suppliers and KappAhl. He says that when KappAhl contributes to that the working conditions will be both better and safer, it creates conditions for increased efficiency; likewise efficiency is created when KappAhl's employees may be educated and learn new things. He sums up the reason why KappAhl works on sustainability by saying that it leads to higher profitability for both the company and its stakeholders.

Kristin says that Odd Molly is a lifestyle brand whose core values include love and heart, and that it is important that everyone working with Odd Molly will feel good. She also believes that if you make the statement that anyone who are working with Odd Molly will feel good, it obviously include those who are working with producing their clothes. She also adds that it is impossible to deny that another reason why Odd Molly works with CSR issues is that there is huge pressure from the outside. Since Odd Molly is a company which is listed on the stock exchange, Kristin argues that it is essential not to get bad publicity, especially since the textile industry is very exposed to media particularly in these issues. She also adds that the purpose of most businesses is that the owners will make money in the end, and if you can help to do good for people meanwhile making money, such as pushing on suppliers' factories so that the people working there should feel better, it is fantastic.

Elin says that Filippa and Patrik, who started the company, have been very clear from the very beginning that the company's motto is style and quality. Because it is a part of quality to have respect for each other, the environment and to generally make good things, CSR has always been part of the company's DNA. This means that, by making longer-lasting garments and designs that are time-less, they are contributing to a more sustainable future. The work

has taken different forms depending on when and how the surroundings have been at the moment. Filippa K's website reveals that the goal of their CSR work is to try to contribute to a sustainable future for all its stakeholders, preferably a long one, including trying to make as little impact as possible on their surroundings (Filippa K's website). Elin refers to the common problems within the textile industry – water, chemicals and working conditions, and she adds that Filippa K always try to use environmentally friendly alternatives.

4.4.3 Stakeholders

Gina Tricot's sustainability report from 2012 describes the company's business environment consisting of their stakeholders. They describe stakeholders as those who are affected by Gina Tricot's activities but also those who can influence Gina Tricot's business. The report outlines six different stakeholder groups, their customers, their employees, their suppliers, trade organizations, stakeholder organizations, and students. When Anna-Karin speaks of stakeholders, she mentions them in the same order that they are mentioned in the Sustainability Report. Something she points out is one thing she has noticed when meeting with students is that they are not very aware of Gina Tricot's CSR work, and she says that it is a constant challenge of how to provide information to reach out. Further, she says that suppliers and customers are aware of their CSR work although customers only are aware to a certain degree.

Kristin says that the key stakeholders for them obviously are the customers and if you look in the other direction, their suppliers. She also adds that, since Odd Molly is listed on the stock exchange, media is also a very important stakeholder. She argues that since the purpose is that the company ultimately will make a profit, it is important that the company does not get a lot of bad publicity because it could affect the company negatively. She believes that their suppliers are looking at Odd Molly as a company that truly cares about CSR issues; this is for example because they put a lot of work on communication with their suppliers. She thinks the same thing when it comes to their customers, that they are very aware and also that they feel a great confidence in Odd Molly in these issues, adding that they might even have a little overconfidence because of that the message that Odd Molly sends out is heart and love.

In KappAhl's sustainability report from 2013, one can read about how it is obvious for KappAhl to cooperate with their stakeholders. KappAhl mentions nine different stakeholder groups in the sustainability report; these are their employees, stakeholder organizations, their investors, their customers, their suppliers, government agencies, networks/industry peers, society and schools/universities. They also mention that KappAhl's customers is an important stakeholder group and that they are trying to communicate with those in many other ways than through the meetings that take place in stores, for example through social media. Eva thinks of all stakeholders as equally important, she puts KappAhl in the middle and all the stakeholders around. She thinks that because KappAhl usually shows good results in terms of their CSR efforts, the stakeholders are impressed by the work they are doing.

Filippa K describes, in their sustainability reports from 2012, the five stakeholder groups whose opinions and suggestions that they take into account in their work with CSR. These are their owners, their employees, their customers, their partners, and society. Elin thinks that employees are the most important stakeholders for Filippa K because without them the company will get nowhere. It is the employees who have to spread the CSR approach further so that for example also their suppliers spreads it even further and ensures the production chain backwards. She also says that it is also important that Filippa K's customers are aware, and that even if the company is struggling with these questions it would be of no use if the customers is still buy new clothes every week, use them only a couple of times and then throw them away. She also adds that she believes that stakeholders think that Filippa K is legitimate in terms of CSR, and because of that the employees feel very proud and passionate about their CSR work.

4.4.4 Transparency

Marcus thinks that Gina Tricot is transparent with their CSR activities, and also that it is very important to be. He says that they, among other things, monthly publish short movie clips and stories from their factories for everyone to get a glimpse of how it really works. He adds, however, that Gina Tricot has not yet chosen to publish their supplier lists.





In Odd Molly's social report 2012 they say that they aim to be completely transparent when it comes to CSR, meaning totally open and public with their business activities regarding CSR. Kristin means that from the very beginning when they started working with CSR they consciously avoided saying that they were doing this and that, but the more they have been working on the issues the more transparent it has become, especially when the cooperation with the *Fair Wear Foundation* began. This is, because, FWF is an organization with a *Benchmarking* purpose, meaning that the participating members have the opportunity to compare themselves with other members by being open, communicating and sharing information about their work with CSR.

Eva says KappAhl is very transparent with their CSR work, because they operate in a very critically observed industry and therefore believes that it is in time to be transparent. KappAhl's sustainability report for 2013 states that they, during 2013, published their suppliers' production units, which can be considered very transparent because this information could be seen as corporate secrets. Eva adds that the interesting thing about the combination of *Transparency* and CSR work is that it enables cross-border cooperation in these very issues, this is because they do not have to be afraid of revealing corporate secrets since it is already out there.

Elin thinks that in general there is still a fear in the industry to say too much and believes that Filippa K always has been subtle and has previously rather said too little than too much. Meanwhile, she says that she thinks that *Transparency* is about development and maturation and that if you are transparent and honest with both what you do and the challenges that you face she believes that it is more appreciated among the stakeholders and that awareness of how the industry is like will arise. Even though Elin argues for Filippa K being subtle they participate in various partnerships, one of them is *Fair Wear Foundation*, which main purpose is to contribute to *Transparency* and *Benchmarking*, which could be seen as being quite transparent.

4.5 Partnership and cooperation

All the studied companies are working on CSR issues in several types of cooperations. When you read each company's sustainability report many different cooperations are mentioned, here below follows the mentioned cooperations for each company:

 			
<ul style="list-style-type: none">• Business Social Compliance Initiative• Better Cotton Initiative• Swedish Textile Water Initiative• Nätverket för återanvändning och återvinning• Näringlivets miljöchefer• Kemikaliegruppen• Swedish Shoe Environmental Initiative• Djurens rätt - Pälsfri butik• Textilimportörerna	<ul style="list-style-type: none">• Fair Wear Foundation• MADE-BY• Fur Free Retailers Program• Swedish Textile Water Initiative• Kemikaliegruppen	<ul style="list-style-type: none">• Business Social Compliance Initiative• Initiativ för Etisk Handel• Business Social Responsibility• Sustainable Fashion Academy• Better Cotton Initiative• Textiles for Recycling Initiative• Sustainable Water Resources	<ul style="list-style-type: none">• Fair Wear Foundation• Sweden Textile Water Initiative• MISTRA project• Sustainable Fashion Academy• Swedish Shoe Environmental Initiative• Stadsmissionen• The Hunger Project• Lånegarderoben

All companies agree that even though they are all four medium sized businesses in Sweden, they are globally very small and since, for example, the environmental problems are so enormous it is very difficult to influence as a small business in a big world. Eva at KappAhl for example, believes that all companies, even the really big ones, are really too small in order to alone make a change that is both large and lasting and this is where cooperation comes into picture. Kristin at Odd Molly and Anna-Karin at Gina Tricot argue that it is also hard being a small company when working towards suppliers, and that it would be a lot easier if cooperating with other companies to make the same demands and through this become more powerful towards the suppliers.

Eva at KappAhl, Elin at Filippa K and Anna-Karin at Gina Tricot think that it is during the last two-three years, as companies have become more transparent with their CSR activities, as they have realized that regarding these issues they are not competitors, and that it is therefore possible to cooperate without giving away any corporate secrets since they are already public. Elin says that it began with the cooperation with consultants, then to become members of various initiatives and then to finally cooperate freely across borders.

Elin at Filippa K and Kristin at Odd Molly believe that cooperation makes it possible to learn from each other, it is a great way to share knowledge. Elin adds that since not everyone does everything in the same way, it is important to learn from others, both when they are making progress and when they make mistakes. Eva at KappAhl also says that by showing their suppliers that they can cooperate, it sets a good example for that also they could cooperate with residents, other businesses and public organizations to ensure their own supply chains. Eva says that, for example, when KappAhl's office workers recently had an education in CSR issues they consolidated with three other textile businesses and instead paid only a quarter of the invoice. With this said she means, among other things, that companies who really could not afford to pay a high bill for the education now can afford to instead only pay a quarter of a bill for the same education. She also argues that even if a company could have afforded to pay the entire bill itself, it probably would have been a longer and more time-consuming process because of that a higher bill probably would have needed discussion at a higher level in the company.

The interviewed companies have some suggestions on how to achieve more successful cooperation and how to make larger changes: Eva at KappAhl and Kristin at Odd Molly is talking about how you could determine common rules for the fashion industry, and try to make the suppliers cooperate on this as well so that everyone follows the same code. Eva means that if everyone follows the same code the inspections of suppliers' factories could be divided. She means that if company A and company B have the same supplier and A recently have been inspecting the factory, B does not also have to go there and inspect since if A have the same code and already has approved the factory, B knows that they are following their code as well. Elin at Filippa K also believes that it would be easier to make a difference if they shared suppliers with other Swedish fashion companies, since it would facilitate to

jointly work backward in the value chains. Elin also talks about a project which they call “*our ultimate product*” where they will ensure all the steps all the way around, from cotton field/forest cultivation to the product's fate to be as green as possible, and adds that working through all the steps in this kind of way requires an enormous effort and she believes that if it would have been more businesses who made such a journey together it would have gone so much easier. Anna-Karin at Gina Tricot thinks that it is all about maintaining trust between the cooperating companies.

4.6 Summary Empirical Data

The studied companies have, broadly, the same meaning of its CSR work, although they do not define the term in the same way. There also exists certain conformity that CSR efforts are tailored to the type of industry involved.

Why the companies have chosen to work with CSR differs, but in broad terms, they all refer first and foremost that they, to be able to work with CSR, must have a financial foundation. Pressure from various stakeholders for the company to work with CSR has led to that it is becoming more and more important to be transparent with CSR activities to be considered legitimate.

Because of *Transparency* regarding CSR work, it has enabled companies to cooperate in these matters. This is because companies, by being transparent, already revealed their corporate secrets regarding CSR and that there are many advantages with cooperation within these issues.

5. Analysis

In the analysis section, we aim to compare theory against theory, empirical data against empirical data and finally the theory against the empirical data. The analytical data will stand as foundation for our conclusions, which in turn responds to this thesis's purpose and research questions. We have divided it into three parts after the parts we address in both the theoretical framework and the empirical chapter, that is to say; What is CSR?, Purpose of using CSR & Partnership and Cooperation.

5.1 What is CSR?

Much research explains that the concept of CSR is very difficult to define and that it is difficult to agree on a common concept (Grankvist, 2009; Borglund, 2009; McWilliams et al, 2006; Norberg, 2011; Van Marrewijk, 2003). We think this is because CSR is a relatively new concept that also contains very extensive responsibility areas. The respondents talked about the concept of CSR in different terms. These are *Corporate Social Responsibility* (CSR), *Sustainability*, *Corporate Citizenship* and *Corporate Responsibility* (CR), which approves with what Grankvist (2009) says about that not everyone defines CSR in the same way. Kristin and Marcus both use the concept of CSR, but Marcus says Gina Tricot separates CSR and *Sustainability* in two different departments. Marcus also, like Grankvist (2009) mentions, thinks that *Corporate Citizenship* really is a better term for CSR, as companies and organizations should adapt their social responsibility just like a citizen has to. Elin says that Filippa K does not use the term CSR because they think it is misleading since it is not just about social responsibility, which also Grankvist (2009) is referring to. Grankvist (2009) refers to that many think that *Corporate Responsibility* (CR) is a better term since it besides social responsibility also includes economic and environmental responsibility, this is also the concept that Filippa K uses on the same basis. Eva, Marcus and Elin would like to use the concept of *Sustainability*, as it is aimed at all levels of the organization, not just specific parts. We believe that when companies make use of the concept *Sustainability*, they do it in order to cover all areas and thus avoid having to be specific because they are afraid to leave something out that might reduce their legitimacy. Matten and Moon (2004) argues, however, that you can work with issues that have just about the same meaning as CSR, called implicit CSR, but without defining it by the very name, CSR. We agree with that CSR is

such a big and complex concept, and thereby very hard to come up with just one name or definition of what it means and includes. It is hard not to leave anything out, but in the same time sum up what is most important for making it easier talking about this issues.

According to Grankvist (2009) the concept of CSR usually contains economic, social and environmental responsibility, which all the respondents mention when talking about the companies' definitions of their CSR related work. Also Dahlsrud (2006) mentions economic, social and environmental responsibility, but also adds responsibility towards stakeholders and voluntary responsibility. The pyramid as Carroll introduced in 1991 also refers to the same issues but with different concepts. Some of the representatives at the studied companies suggest that one defines CSR in different ways, depending on the individual company and what industry one works in. We agree with this, and believe that the company's activities determine what specific areas that are prioritized, for example, problems regarding water, chemicals and working condition. KappAhl mentions three words when they describe their CSR work: *Future, Friendly, Fashion*. Thinking about what these words aim at, we can draw parallels with the three areas of responsibility that are most common: economic, social and environmental responsibility. We think that KappAhl's CSR work rather would have suited better defined by the concept CSR than the concept of *Sustainability*. We believe that there may be some general concern that, as we said, omitting some parts, because the concept CSR usually is associated only with the economic, social and environmental responsibility. With that said, we agree with what Matten and Moon (2004) says of implicit CSR, that is, that one can work with CSR related issues without calling it CSR. We also agree with what Grankvist (2008) refers to, that the concept of *Corporate responsibility* (CR) is a well-fitting term because it includes the social, economic and environmental responsibility, which we think covers the most important aspects as the CSR is meant to.

Since all the studied companies are in the same country and the same industry, we think we can see a clear link between their definitions of CSR, although they do not use the same name for the concept. This is because, within the industry there are some areas that are more vulnerable than others, and that they therefore have to work harder within these specific areas.

5.2 Purpose of using CSR

All the respondents are not originally educated in CSR; they have rather production and purchasing background and have received education in these issues later on. It is only during the last two decades, as more and more companies have introduced such positions in their businesses, which is consistent with what Røvik (2008), Borglund (2009) and Jutterström (2006) say. This is something we see in the studied companies, that it is only more recently, as CSR is becoming more and more relevant, as these positions have come up within the companies. We think this is pretty obvious because the demands of stakeholders increases and leads to that companies have to make an active choice to integrate CSR into the company's daily operations. Thus arises a first reason why companies introduce CSR in their business, and thus also new positions. We also noted that all our respondents agreed that it was an advantage to earlier have worked in the businesses' production when it comes to facing CSR issues. We believe that, like many of the respondents, it can be advantageous to have previously worked in other positions in the company, to have gained a complete picture of the production chain since the idea of CSR is to permeate every part of the company.

Carroll (1991) argues, just like Marcus at Gina Tricot and Kristin at Odd Molly, that the financial responsibility towards the company is the foundation to further be able to take on other types of liabilities. Because of this, we believe that companies must achieve a certain size and financial level in order to work with CSR more extensive. Like Dahlsrud (2006) and Ljungdahl (1999) argue that companies work with what is most important within that particularly organization, Kristin at Odd Molly also argues that companies work within the area where they can make the greatest possible positive imprint. Elin at Filippa K agrees with Røvik (2000, 2002) that different industries face different challenges that are more current than others, which in turn leads to nuanced definitions of CSR. We think this is very clear, as companies in the textile industry often specialize in the dilemmas that are most prevalent in the industry, that is, for example, problems with water, chemicals and working conditions.

The stakeholders that are most important to a company are also something that differs between sectors and businesses (Crane and Matten, 2007). Since the companies we have studied all are in the same industry it is possible to see similarities between which

stakeholders they think are most important. All companies have in common that they mention customers, employees and suppliers among its key stakeholders. Marcus at Gina Tricot, Eva at KappAhl and Kristin at Odd Molly also mentions media as an important stakeholder. Eva and Kristin argue that since both KappAhl and Odd Molly are listed companies, bad publicity from media is not desirable. Freeman et al (2004; Freeman, 1984) and Laplume et al (2008) describe how the satisfaction of external (secondary) stakeholders' requirements in terms of CSR can meet the internal (primary) stakeholders' requirements in terms of good economic performance and in the long run lead to good business. Also Gina Tricot's CEO Jörgen Appelqvist and KappAhl's CEO Johan Åberg writes in the beginning of their sustainability reports about how they work with CSR issues in terms of satisfaction of stakeholders, with the aim of eventually create efficiency and higher profitability for both the company and its stakeholders. Filippa K's goal is to try to contribute to a sustainable future for all stakeholders by making as little impact as possible on the surroundings. Kristin, on the other hand, argues that the main aim of Odd Molly is that the owners will get profit, but it's important that while making money trying to help to do good for other stakeholders. Friedman (1962) argues, unlike Freeman (1984), that one should only take into account the interests of shareholders if they choose to work with CSR, which none of the respondents agree with. Brown and Deegan (1998) describes how the company is aiming to act in order to meet their stakeholder's requirements and needs, which makes the *Legitimacy theory* go hand in hand with the *Stakeholder theory*. We conclude that regardless of how much companies want to work with CSR, to make the world a better place, it is always the financial aspect that is in control. The purpose of almost all companies is that they will ultimately make profit. This means that in many cases, companies put the internal interests before the external, that is, if not the fulfillment of the external interest favors the internal.

Brown and Deegan (1998) say, as mentioned, that the legitimacy theory aims at meeting the stakeholders' requirements and needs. Tilling (2004) argues further that it is not possible to only gain legitimacy without making sure to take care of and defend the legitimacy to be able to maintain or expand it. The interviewed companies are working on this by progressively increase their CSR efforts and also by being transparent with their work. All the studied companies think that their most important stakeholders feel that they are legitimate regarding their CSR efforts. However, Anna-Karin adds that Gina Tricot's customers only are

aware to a certain degree. A good legitimacy, based on for example a good CSR work, can lead to satisfaction of external stakeholders, and in the long run, if it would generate in profits, it would also satisfy the internal stakeholders.

Malmeby (2002) says that *Transparency* has become very important and that it will become increasingly important to show that what are promised are not just empty words. Malmeby (2002) and de Geer (2002) argue that it is important for leaders to be open about their actions while taking into account the needs of stakeholders, where large companies are at the forefront. All the studied companies have some sort of CSR report where they talk about their work with different liability issues. Elin at Filippa K thinks that there is still a general fear of saying too much in the industry, but that it is a matter of development and maturation. This is consistent with what Morsing and Schultz (2006) say about the political-economic culture in the Nordic countries, that, for example that the Swedes are more withdrawn than their competitors and does not want to show up their CSR initiatives to avoid bragging because of fear of conflicts (Daun, 1989; Norberg, 2011). However, we rather believe that it is because of a previously existing fear of revealing trade secrets. Anna-Karin says that their customers are not that aware of their CSR-work and think that it is difficult to reach out to their customers. Kappahl, on the other hand, is the largest of the four companies and also the company that by posting their supplier units has come furthest in terms of *Transparency*. All the companies' CSR reports also include some sort of comparative data. By this we mean that some kind of organization acts as a standard setter by reviewing their work with CSR. Eva at Kappahl also points out that the combination of *Transparency* and CSR work is very interesting since it enables cooperation across borders. This refers to previous statements, that because companies nowadays are transparent regarding their CSR work, there are no longer any secrets to reveal.

5.3 Partnership and cooperation

A drop in the ocean; this is how the studied companies see the individual company's CSR approaches in the world. They argue that although they are all Swedish medium-sized companies, they are extremely small in the world, especially if, for example, put in relation to the existing enormous environmental problems. They argue further, that because they

are so small companies, the fashion industry needs to work together to make a greater impact. This agrees with what Jupp (2000) says about partnership; working toward the same goal can enable to work against the social problems. Given that the studied companies use different concepts and purposes of using CSR, which also is proved by theory, we believe that it could be difficult for them to cooperate. A common definition of CSR would have facilitated cooperation in which everyone clearly had been working toward the same goal. We believe therefore that the companies which are, however, within the same industry, in this case the textile industry, do not have sufficiently different meanings of the concept for it to be problems with common goals, even though they use different definitions. Eva, Elin and Anna-Karin all think that is now during the last 2-3 years, as companies has become more transparent with their CSR activities, as they have realized that they are not competitors in these issues and that it enables cooperation without giving away industrial secrets. In addition, we think that regarding these issues, everyone kind of have the same hopes of contributing to help create a better world, which regarding these issues not make them competitors, but rather partners. Eva at KappAhl means that the business world itself is responsible for taking the initiative to work with CSR issues, because it is not prescribed by Law. Jupp (2000) say that in order to avoid fragmentation, it is important to show a united front, and since that CSR activities are not prescribed by Law, which leads to that everyone has different rules and goals with their work, it might obstruct cooperation. This is consistent with what we wanted to say about that even if the companies do not have the same definition of CSR, they still have the same overall goals of using it. He means, however, if one is involved in a partnership, it can lead to that the government realize what issues are most important and then further helps to guide the work in right direction. Kristin and Anna-Karin also describe how it can be difficult to be a small business when making demands to their suppliers, and add that it would be much easier if you shared suppliers with other fashion companies, which would allow them to make the same demands and instead of operate on your own meet the suppliers with a united front.

When exchanging ideas and knowledge in cooperation, members receive valuable experience and a broader understanding, which for example could lead to innovation (Compassion Capital Fund National Resource Center; Jupp, 2000). This is something that Elin and Kristin believe in, and Elin and Jupp (2000) say that because not everyone does things

the same way it is important to learn from each other. Eva also mentions that by showing their suppliers that they cooperate with competitors within CSR-issues, it sets a good example for them to also cooperate with residents, other businesses and public organizations to ensure their own supply chains. She even use the same words as Jupp (2000) and Brandstetter et al (2006) when describing how being a role model could contribute to creation of a local mechanism that builds a trust between local residents, businesses and public organizations. Given that two of the biggest benefits of cooperation is the ability to streamline their resources and avoid duplication of work, we think that cooperation within CSR issues is very consistent with the basic ideas of cooperation. This is, because CSR is largely a question of making more efficient use of their resources and thus limits the ability to imprint on the world.

All the studied companies are members of some kind of cooperation involving some sort of standard setter that provide guidelines and benchmarks; Gina Tricot, KappAhl and Filippa K all uses the services of the *Global Reporting Initiative* (GRI), Filippa K and Odd Molly is members of the *Fair Wear Foundation* (FWA). Both of these organizations serve as a *Benchmarking* tool, in other words, sharing experiences, relationships, knowledge and so on to improve their work with CSR. We think it is very clear that there are common problems that companies in the textile industry face, and since our respondents mention very similar problems and are members in the same, or similar, partnerships, they are able to learn from each other to get better and more effective when dealing with these issues.

None of the studied companies' representatives see any direct disadvantage to cooperate within CSR issues, as they like to say that these questions are questions in which they are not competitors. However, Jupp (2000) and Brandstetter et al (2006) refer to that there are general difficulties in terms of cooperation, such as that things may be more time consuming (Jupp, 2000), difficulties in management and communication occurs when there are more participants involved (Jupp, 2000: Brandstetter et al, 2006), and that they ultimately must share both setbacks, goals and rewards (Jupp, 2000). In our opinion, this extra effort cooperation requires must be put in relation to what difference in terms of social responsibility cooperation can accomplish. Brandstetter et al (2006) also mentions that since they have to agree on common goals and purposes, it is not certain that all partners can

identify themselves with them and therefore risk becoming less involved in the issues. Eva and Kristin both mean that it would have been good if there would be some common rules regarding CSR efforts in the entire fashion industry, as would be followed by both fashion companies and their suppliers.

6. Conclusions

In the conclusion we will answer our problem by presenting the results of our study. We will also provide suggestions for further research in the area.

6.1 What definitions and purposes of CSR are there?

When we were researching the concept of CSR, we quickly realized that it is impossible to find a mutual definition that everyone follows. We think this may be because CSR is a relatively new concept which is spread worldwide and also in different industries. Elin and Røvik (2000, 2002) argues that similar industries face similar challenges and Crane and Matten (2007) argues the same regarding the stakeholders, which is consistent with that all of our studied companies are in the same industry which means that they probably also face the same challenges and have the same stakeholders. This means that, just as we found out in our study, that all the studied companies have very similar basic ideas in their definitions of CSR, which makes it easier for them to work together within these issues.

6.2 What difficulties may companies face when working with CSR issues individually?

Working with CSR issues has become very up-to-date, especially in resource-intensive industries such as the textile industry. This more or less forces the fashion business to work with these issues, but working with CSR costs, both in resources and time. As the companies are so small in relation to the problems that exist, it is difficult to battle them on their own. Working with CSR on your own can also be difficult if you do not have enough resources to, for example, be able to meet the company's internal financial requirements.

6.3 How would working with CSR improve if the companies cooperate and how could this cooperation be arranged?

Given that one of the basic ideas of CSR is to make the utilization of their resources more efficient, fits well with what Jupp (2000) says about cooperation through partnerships, where the aim also is to streamline their resources. Cooperation within CSR can contribute to that companies, by joining forces, make major difference regarding the social problems, which they could not have accomplished on their own.

Hine and Preuss (2009) argue that CSR work is in conflict with the financial responsibility towards the company, but we instead agree with Borglund (2009) and Norberg (2011). They mean that cooperating with CSR issues, in the long run can meet both internal and external stakeholder requirements and needs, this because the business through cooperation with CSR uses their resources more efficient and thus reduces their costs, in other words they also meet the company's internal interest.

There are several ways which within companies can cooperate. When it comes to CSR and the fashion industry the *Global Reporting Initiative* (GRI) and the *Fair Wear Foundation* (FWF) are good examples of organizations that offer *Benchmarking* tools where one can both cooperate and learn from others. Our respondents agree that it is important to learn from each other on these issues, enabled by cooperation. Eva mentions, among other things, that together with competitors companies can combine certain activities in the field, such as CSR education to the employees, to reduce costs and also so that companies with poor finances will have the opportunity to participate in CSR activities. The other respondents agree that another way to reduce costs is if their competitors were to use the same suppliers and the same *Code of Conduct*, which is possible in some cooperation, reducing duplication of for example supplier controls. However, how companies cooperate within CSR issues can vary, companies can either compare themselves to others through *Benchmarking*, join organizations that work with the same guidelines or simply integrate with their competitors without any third party involvement.

6.4 What difficulties may companies face when working together with CSR issues?

Structuring cooperation sounds easy in theory but may be harder in practice because of that, not everyone work towards the same goal. But since we have found that our respondents have about the same meaning of CSR and have the same stakeholders to satisfy, we have assumed that it is possible for them to work together, even though they do not have the same definitions. In these questions they are not competitors, because most companies that work with CSR want to do good in the world and hence have the same goal. The reason for

doing good can vary between companies. It may be that doing good is actually in their own interest, but it may also be that they really do not care at all but get external pressure.

Jupp (2000) mentions that a disadvantage with cooperation is that the members eventually must share setbacks, goals and rewards. We think that since CSR activities usually only lead to collective benefits, conflicts of setbacks, goals and rewards rarely arise in cooperation. Jupp (2000) also mentions that cooperation processes can be more time consuming because all information must flow through more actors, which also leads to a more complex structure of management and communication. In our opinion this extra effort cooperation requires must be put in relation to what difference in terms of social responsibility cooperation can accomplish.

The respondents see no disadvantages to cooperate within CSR issues, which we think may have to do with the benefits of cooperation regarding these issues are so large that the disadvantages fade away. Cooperating with competitors can generally feel illogical because there is a fear of revealing trade secrets and thus, for example, give away business units. But we agree with the respondents that *Transparency* regarding CSR activities has led to that these questions have become competitively neutral, which means that the fear of revealing trade secrets is gone.

6.5 Alone we are strong, together we are stronger

Because the fashion industry is a critically observed industry regarding CSR issues, they are forced to actively work with them. Since the basic CSR is to use the resources as efficiently as possible, we find cooperation a central solution. Difficulties with different definitions and purposes of CSR does not affect the cooperation as much when dealing with companies in the same industry, as they have relatively similar reasons and pressures to why they work with CSR. Together, they are able to face greater challenges and make a greater impact. In conclusion - *alone we are strong, together we are stronger*.

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8. Appendix

8.1 Interview guide

- **Personal details**
 - What is your educational background?
 - For how long have you worked in the company?
 - What are your main tasks and areas of responsibility within the company?
- **How does the company define CSR?**
 - How is the work with CSR organized within the company?
 - How many employees are currently working with CSR?
 - Do you get any external assistance (such as consultation) with CSR issues?
 - Who oversees and control the progress with CSR?
 - Is there any independent and third party that controls the CSR work?
 - Do you follow up and evaluate the different efforts? If yes: how do you do it?
- **Why do you actively work with CSR?**
 - Why and when did the company start working with CSR?
 - Did you feel any kind of external pressure to work with CSR?
 - Which are the most central questions concerning sustainability according to the company?
 - Are you transparent when it comes to your work with CSR?
 - Which are the most important stakeholders for the company?
 - How do you think they see your legitimacy concerning CSR?
- **Do you cooperate with competitors regarding CSR-issues or do you act alone?**
 - If you answered yes on previous question, when did you start to cooperate?
 - Can you identify any advantages or disadvantages regarding cooperation with CSR?
 - Do you cooperate only within organizations or do you cooperate outside them as well?
 - How important is the cooperation with CSR according to you?
 - In what ways could the cooperation improve and what do you think the outcome would be?